GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA

UNSTARRED QUESTION NO:1005
ANSWERED ON:02.03.2016
General Financial Rule
Charitra Shri Ram

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether there have been instances of blatantly violating general financial rule under Members of Parliament Local Area Development Scheme;

(b) if so, the details thereof;

(c) whether it is true that 12 district authorities of six States inflated the figures of expenditure by Rs. 35 crore by depicting the entire advance of Rs.100.17 crore released to the implementing authorities as utilised under MPLADS;

(d) if so, the details thereof; and

(e) the action taken by the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE FOR MINISTRY OF EXTERNAL AFFAIRS [GENERAL (Dr.) V.K. SINGH (Retd.)]

(a) & (b): Instances of violation of guidelines or rules come to notice from time to time. In such cases appropriate action is taken by the State Governments / District Authorities, including penal and departmental action and recovery / recoupment of MPLADS funds. Specific cases of malafide or financial malfeasance coming to notice of the Ministry are sent to the State / District Authorities for the appropriate action. Till the necessary appropriate action is completed by the State Governments / District Authorities, the matter is not treated as settled by the Ministry.

(c) to (e): Release of MPLADS funds is made MP-wise on submission of the requisite documents and certificates by the Nodal District Authorities, which include Audit Certificates, Utilization Certificates and Monthly Progress Reports. District Authorities (DAs) are required to furnish the Utilization Certificates (UCs) only when the Implementing Agencies (IAs) have actually incurred the expenditure. Instances of mistakes in the documents and certificates that come to notice during examination are communicated to the District Authorities for the necessary rectification. Funds are released after all requisite documents and certificates are duly available.

Performance Audit of MPLADS for the period 2004-2005 to 2008-09 was conducted by Comptroller and Auditor General of India (C&AG), who furnished their report Union Government (Civil) No. 31 in 2010-2011.

Para 6.2.2 'Incorrect reporting of financial progress by the DAs' in Chapter 6 'Funds Management' inter alia stated that "the DAs reported inflated figures of expenditure to the Ministry, by treating the amount released to the IAs as the final expenditure, without ascertaining the actual expenditure incurred." and that "In 12 districts of six States/UTs (Chhattisgarh, Jharkhand, Lakshadweep, Nagaland, Tripura and Sikkim), Rs. 100.17 crore was released as advance to the IAs for execution of works during the years 2004-09, out of which Rs. 65.18 crore only had actually been spent by the IAs. Instead of reporting the actual expenditure to the Ministry, the DAs depicted the entire advance of Rs. 100.18 crore as utilized in their UCs, thus, inflating the figures of expenditure by Rs. 35 crore, and presenting an incorrect picture of fund utilization under the Scheme. The State-wise details are in Annex 6.1."

Annex 6.1 is given in Annexure-I.

Audit paras in the Performance Audit Report of C&AG for the period 2004-2005 to 2008-2009 including para 6.2.2. where action was required at the end of the State Governments / UT Administrations were taken up with the concerned State Governments / UT Administrations and District Authorities for the appropriate action.

Based on the Performance Audit Report No. 31 of 2010-2011 of the C&AG, the Public Accounts Committee (PAC) furnished their 55th Report (15th Lok Sabha) on Members of Parliament Local Area Development Scheme in 2011-12.

Action taken notes on the observations / recommendations of the report on all 33 paras were furnished to the PAC in September 2013 after vetting from Director General of Audit (Central Expenditure). It has also been submitted by the Ministry in its action taken notes that: "In case of infringements of rules, guidelines and norms, including utilization of funds for ineligible works, which come to notice from time to time (including C&AG reports), the Ministry takes-up and follows-up the matter with the State Government / District Authority concerned and monitors that appropriate action is taken by the State Government / District Authority. Till the necessary appropriate action is taken by the State Government / District Authority, the matter is not treated as settled by the Ministry." (submitted in action taken note on para 15; similar submissions made in action taken notes on paras 3, 5, 11, 16, 24, 26, 27 and 32).

The Ministry has also issued a circular letter no. C-16/2011-MPLADS-(Vol. I) dated 06.11.2015 on the subject of 'Qualitative, rule-bound and timely implementation of the MPLAD Scheme' in which the District Authorities / State Governments have been informed that "In cases of infringement of rules or guidelines coming to notice of this Ministry (including through C&AG report/s etc.), this Ministry takes-up and follows-up the matter with the State Governments / District Authorities concerned. Unless and until the necessary appropriate action, including action in the three domains of (a) criminal culpability of the concerned persons, (b) departmental action against the errant officials and (c) civil action for recovery of MPLADS funds with interest, is taken by the State Government / District Authority, the matter is not treated as settled in this Ministry. This position has also been submitted by this Ministry to the PAC."

And the District Authorities / State Governments have been requested to "(i) ensure qualitative, rule-bound and timely implementation of the MPLAD Scheme and (ii) not to treat cases of infringement of rules or guidelines as settled unless and until the necessary appropriate action is duly completed."